GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:1200
ANSWERED ON:27.11.2000
NON-UTILISATION OF FOREIGN ASITANCE BY POWER SECTOR
RAMDAS ATHAWALE

Will the Minister of POWER be pleased to state:

(a) whether the foreign assistance amounting to rupees 10319 crore received from foreign financial institutions for assisting the power sector has not been utilized and as a result of which a huge amount has to be paid in the form of compensation charges;

(b) if so, the details thereof and reasons therefor; and

(c) the action taken/proposed to be taken by the Union Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA)

(a) & (b): The undrawn balance at any given point of time represents a `pool` or `reserve` of funds with regular inflows and outflows. This pool also takes into account variations due to exchange rate fluctuations. As soon as a tranche of a loan for a particular project is made effective by an International donor, the entire tranche is added to this pool. With the execution of the project, funds are drawn from this pool. Since a power project normally takes five to seven years time for completion, with new tranches being added regularly, the size of pool is never `zero`. For power projects, commitment charges are levied by some of the donors on the basis of undrawn balance in a particular year.

As on 31.3.1999, the undrawn balance involving 41 projects was RS. 10319 crore. Out of this no commitment charge was paid for 23 projects having a total undrawn balance of Rs. 7263.11 crore (about 70% of the total). Commitment charge was paid only for the balance 18 projects having an undrawn balance of Rs. 3056.82 crore.

(c): The Government regularly monitors all on-going projects including the ones which receive foreign assistance through various Monitoring Committees including Empowered Committee and Sectoral Task Forces.